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Canal 'Bugging' Charge Draws Many Denials

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The Carter administration's campaign to win public backing in the United States and Latin America for the Panama Canal treaties has a new problem.

The Senate Intelligence Committee is investigating allegations that the United States used electronic eavesdropping against Panama during the negotiations and that Panama in turn blackmailed the Americans when it learned of the surveillance.

Officials yesterday quickly denied that Panama had done anything improper. Panamanian officials denied that they had any knowledge of electronic eavesdropping or that they had ever used such information to blackmail the American negotiators.

But while almost all sources were absolving the Panamanians of wrongdoing, U.S. officials remained silent when asked to comment on whether American agents had been caught "bugging" the Panamanians at any stage of the negotiations. U.S. officials from the CIA, White House and State Department said they would have to abide by the standard practice of refusing to comment on intelligence operations.

THE CLOSEST THING to a denial of American eavesdropping on the Panamanians came from officials, demanding anonymity, who said they didn't know whether the allegations were true and suggested antitreaty Americans might have planted the reports in the first place.

Intelligence Committee Chairman Daniel Inouye, D-Hawaii, after a three-hour closed-door meeting at which the panel questioned Ambassador Ellsworth Bunker, said, "The Senate committee met with Mr. Bunker and members of the intelligence community to discuss the Panama Canal and related issues. Further meetings are anticipated."

Inouye fended off a dozen attempts to question him further about why it took three hours to question Bunker and the representatives of the CIA and DIA if the United States had not been involved in bugging the Panamanians. He finally conceded that

the committee planned to question CIA Director Stansfield Turner early next week about the allegations. But neither he nor any other official would divulge the source of the allegations.

THE STORY WAS broken by CBS yesterday morning. American officials quickly said Panama had done nothing irregular and that they would have known if the Panamanians had tried to use such information to blackmail the U.S. negotiating team.

The ranking Panamanian in Washington, Ricardo Bilonick, said the allegation was an outrageous lie. He said Panama knew nothing of any American attempt to bug them and therefore could not have made improper use of such information. A State Department spokesman, Hodding Carter III, said, "Insofar as the allegation that there has been some form of blackmail or intimidation or similar methods to affect the treaty or treaty negotiations, I categorically deny that."

Earlier this year, the Senate committee criticized responsible officials of the CIA for permitting the agency to bug and spy on Micronesian delegates who were negotiating with U.S. authorities on the future status of 2,200 Pacific islands now under a trusteeship agreement. The committee said last May that then-Secretary of State Henry A. Kissinger had approved the CIA operation for clandestine collection of information on the Micronesian independence movement.

TURNER AND Ambassador Sol M. Linowitz, who worked with Bunker on the negotiations for the treaty, were not called by Inouye because they were out of town. Presumably both will appear next week.

Meanwhile, both U.S. and Panamanian officials privately denounced the report as likely to be harmful to the treaties' prospects for ratification.

"We couldn't admit it if it was true, and we can't deny it if it is false because that's the policy on intelligence questions," said one official. "We'll have to take our lumps and hope it does no lasting harm."

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